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preceding it. Probably such is the case. All the errors which have struck the reviewer's eye are in these earlier pages. But a careful revision of the text would serve to remove suspicions which now mar the usefulness of the book.

Some of the simpler and more important tables contained in *The Universal Cambist* have been republished in pamphlet form under the title: *The World's Exchanges in 1898*. Some new matter is included, the most important being an explanation of the chain-rule method of working problems in the exchanges. The pamphlet is, however, too limited in its scope to be of general interest, and not sufficiently explicit to justify the author's expectation, that it may be used in secondary schools.

HENRY RAND HATFIELD.

THE UNIVERSITY OF CHICAGO.

The Standard of Living in its relation to Economic Theory and Land Nationalization. By FREDERIC W. SANDERS. Chicago: University of Chicago Press, 1898. 8vo, pp. iv + 64.

DR. SANDERS has summed up with surprising clarity and exhaustiveness the bearings of economic theory upon the question of land nationalization, at the same time presenting an attractive and suggestive plea for this phase of social reform.

The author reasons that, in a competitive system of production and distribution, interest is a necessary and a justifiable phenomenon. The rate or the quantum of the capitalist's share, or the methods of its determination, may raise serious theoretical and practical problems; but the emergence of the interest share is the necessary correlative of the fact that stored-up labor, in combination with present labor and with land, makes possible a gain in product. That which the capitalist-owner gets back in excess of his investment is his pure interest—the difference between wealth as capital and wealth as *mere* wealth, between wealth in combination and wealth in isolation.

Wage-earners need, then, look for no important amelioration of their lot through efforts directed specifically and immediately to the reduction of interest. Interpreting wages as broadly inclusive of profits, our author argues that interest, rent and wages, considered as distributive shares of the social product, are apportioned through the market processes of value adjustment,—not, however, as the correlative

of the isolated productive power of the different productive agents, but as a question of the power of each agent in combination with the other agents. The productive power of each is generally greatly increased by the mere fact of combination. How shall this aggregate increase be distributed? What each agent produces is incapable of determination—otherwise than as the excess over what would have been produced in its absence; apportionment of each share in turn by this test would, however, call for a total of shares far in excess of the total product. Thus, while the actual distribution *may* not fall wide of the requirements of justice, or, at all events, might not do so under ideal conditions, the causes lie in the nature of value and in the processes of its market adjustment; moral considerations are, causally speaking, irrelevant; the productiveness test is practically inaccurate and inapplicable; value adjustments are impersonal and un-moral.

Assuming the existence of the competitive system, it follows that the processes by which market values are determined are fixed facts; social amelioration must find its sphere of action behind the given value field, in the attempt to modify the conditions which lie back of the value problem—and furnish the terms of it.

Considerations such as these lead our author to an analysis of rent, wages, and interest, separately, and to the conclusion that rent and wages are, in an important measure, susceptible of purposed modification, since, unlike interest, each of these distributive shares is affected by independent causal elements over and above the relation of its producing factor to the other productive factors; rent as a distributive share is dependent upon a more or less arbitrary human institution—private property in land; wages go back to the standard of living as their ultimate determinant.

As to the wages share: the determining fact being the standard of living, any readjustment which shall bring about an elevation of this standard will as a necessary result work an increase of wages. In short, an absolute rise in wages—that is, a rise not merely dependent upon some possible temporary fall in interest or upon some fall in the value of land due to temporary or local causes—must take place, if it occur at all, in connection with some effect worked upon the standard of living. It follows that wages are within the reach of social readjustment through the medium of some effect to be worked upon rent, in the way of its more equitable distribution.

The nationalization of land is therefore urged by our author not

merely as a direct amelioration of the existing distribution, but also as an important causal force for the further modification of the distributive outcome.

Fully to discuss the author's ingenious and suggestive argument would require space beyond the present limits. It may, however, be questioned whether Dr. Sanders has not put forth an altogether insufficient and inadequate argument in support of his position that the standard of living is in any important sense a determinant of wages. No doubt cause and effect are difficult of separation here, but Dr. Sanders seems to have distributed his emphasis badly. In the main it is probable that men get into the habit of consuming much through having much to consume, rather than directly through wanting much; that the standard of living is the result of wages, and is cause only in the degree that better conditions of living react to increase productive efficiency. All this, however, says nothing as to the truth of Dr. Sanders' thesis that the better distribution of rent would react upon wages to raise them, but only as to the degree and manner of the effect in this direction.

Something also is to be said as to the author's theory of interest and of his terminology. Regarding rent, interest and wages as distributive shares of the product, it is not unreasonable to require that the shares exhaust the product. This they fail to do unless interest be interpreted to mean the part received by the capital-owner—not merely as charge for use but as fund for replacement. This total return our author thinks it well to term interest, that is, *gross* interest (interest in the sense of share or claim), while the increment feature—the productiveness share—is termed *net*, or *true* interest.

There is evidently much to recommend this choice of terms; it is not so clear, however, that what the author calls net interest is in all cases, and necessarily, the difference between the value of wealth as mere wealth and its value when combined with the other productive factors. This is in substance the productivity theory; but cases of interest paid on consumption loans are not well covered by it. The reply may of course be made that interest of this latter sort is not an outcome of the primary distributive process, but is in stead a secondary fact—a redistribution. Still it is interest of one sort or another. But however much one may quarrel with Dr. Sanders' conclusions, his work will remain none the less attractive in its luminous statement, scholarly grace of style, and apt illustration—and none the less valuable

in the thorough modernity of the point of view, its severely acute analysis, its suggestive and judicial quality and its wide sweep of learning.

H. J. DAVENPORT.

Irrigation in Utah. By CHARLES HILLMAN BROUGH (Extra Volume XIX of *Johns Hopkins University Studies*). Baltimore: The Johns Hopkins Press, 1898. 8vo. pp. xv + 212.

FOR some years the transcendent importance of the subject of irrigation has been recognized by the dwellers in the Arid Region, but it is only in recent years that the magnitude of this subject has begun to dawn upon those who live outside of the arid belt. In dealing with irrigation in Utah, Mr. Brough has rendered available much material which will aid in a better understanding of the problem, and has contributed something to the general discussion.

The work is not merely a study of the problems involved in irrigation, but deals also with the economic development of Utah. The author, indeed, seems to think that the two are identical, and it may be true that they are so interdependent that one cannot be adequately treated without discussing the other. In an industrial organization like that of the Mormons all sides of the development are doubtless more closely related than in communities less highly organized or less strictly controlled. The church organization contributed much to the success of the early co-operative undertakings, but the development does not appear to have been very different in Utah from what it was in other parts of the Arid Region. In the early stages the small streams are diverted and utilized by individuals or groups who wish to cultivate the lands. Later the capitalistic enterprises come and reclaim land in great quantities for others to cultivate. The Mormon leaders were responsible for many people being in Utah much earlier than the economic forces at work within our territory would have driven them there, but that irrigation and the reclamation of land was more effectively accomplished by the Mormons because of their stricter organization, or that co-operation was more effective with them than it would have been with any other equal number of pioneers, does not appear.

After treating the progress made in early years under Mormon leadership, the author deals with the legislation on the question, and discusses the relative merits of the methods proposed for reclaiming the arid lands. In his opinion, the small, co-operative enterprises